

POSTRETIREMENT EMPLOYMENT

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POSTRETIREMENT EMPLOYMENT

Permanent, Full-Time Employment of ERS or TRS Retiree

An ERS retiree employed with an ERS or TRS member agency will continue to receive full retirement benefits provided the retired member meets both of the following conditions:

1. The retiree must not be employed or under contract for permanent full-time employment.
2. The retiree's compensation cannot exceed the limitation on earnings. The limits are subject to change from year to year based upon changes in the Consumer Price Index.

If a retiree's earnings (including remunerations) exceed the annual limitation on earnings, the retirement benefit will be suspended for the remainder of the calendar year, or for the remainder of the month if the retiree is subject to a monthly earnings limitation. (The ERS Member Handbook provides the amount of the limitation on earnings.)

- A retiree who returns to work with an ERS or TRS member agency in the same calendar year as his or her retirement is subject to a monthly earnings limitation.
- A retiree who returns to work with an ERS or TRS member agency in a subsequent year from his or her retirement is subject to a yearly earnings limitation.
- A retiree who retires on January 1 of a given year is subject to the annual earnings limitation (monthly limitation amount does not apply).
- A retiree who is reemployed full-time with an ERS agency will have his or her retirement benefit suspended.
- A retiree who is reemployed full-time for a minimum of two (2) years is eligible to request reenrollment in the ERS.
- A retiree who is employed full-time with a TRS member agency must immediately enroll in the TRS. The retired member's ERS account will be terminated and the service credit and existing ERS annuity will be transferred to the TRS.

Reporting Postretirement Employment Violations

(In accordance with the provisions of Section 36-27-8.2, *Code of Alabama 1975*)

The participating RSA agency must notify the ERS or TRS of employment violations in writing, verifying the name, Social Security number, employment dates, and earnings of the retiree. In addition, a statement regarding the employment status, full-time or percentage of full-time, of the retiree is required. If no violation has occurred, employee notification to the ERS is not necessary.

Annually, member agencies are provided a POSTRETIREMENT EMPLOYMENT form to be used to notify the ERS of postretirement employment violations which include earnings limit violations or the employment of ERS or TRS retirees on a full-time, permanent basis. Postretirement employment requirements are provided along with this form.

ERS or TRS Retiree Exceeding Earnings Limit

If an ERS or TRS retiree exceeds the annual or monthly (first year retiree) limitation on earnings, the employing agency must notify the RSA immediately.

Failure to notify the RSA of postretirement employment violations may jeopardize the retiree's retirement benefits from the RSA.

Disability Retiree

A disability retiree is subject to the same earnings limitations as a service retiree, *or* the difference between the average final salary and the annual retirement benefit, whichever is lower. However, if the retiree is employed with a non-participating agency, earnings cannot exceed the difference between the average final salary and the annual retirement benefit. The average final salary is the salary used in the computation of the disability retirement benefit.

Contract Employment

The compensation of retirees who provide services to participating agencies on a contractual basis may be subject to the earnings limitation. If a retiree enters into or considers entering into a contract with a participating agency of the ERS or TRS, the retiree should provide a copy of the contract or proposed contract to the ERS. The contract will be reviewed to determine whether such contract will affect the retiree's benefit.